

**MINUTES OF THE  
NATURAL RESOURCES, AGRICULTURE, AND ENVIRONMENTAL QUALITY  
APPROPRIATIONS SUBCOMMITTEE**

Tuesday, February 7, 2017 • 8:00 a.m. • 210 Senate Building

**Members Present:**

Sen. David P. Hinkins, Senate Chair  
Rep. Ken Ivory, House Chair  
Rep. Scott H. Chew, House Vice Chair  
Sen. Jim Dabakis  
Sen. Margaret Dayton  
Sen. Don L. Ipson  
Sen. Evan J. Vickers  
Rep. Kay J. Christofferson  
Rep. Brian M. Greene  
Rep. Stephen G. Handy  
Rep. Timothy D. Hawkes  
Rep. Karen Kwan  
Rep. Michael E. Noel

Rep. Lee B. Perry  
Rep. Marc K. Roberts  
Rep. Keven J. Stratton

**Members Absent:**

Sen. Peter C. Knudson  
Sen. Ralph Okerlund  
Rep. Susan Duckworth

**Staff Present:**

Mr. Ivan D. Djambov, Fiscal Analyst  
Mr. Alexander R. Wilson, Fiscal Analyst  
Ms. Greta G. Rodebush, Committee Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [le.utah.gov](http://le.utah.gov).

Chair Scott H. Chew called the meeting to order at 8:04 a.m.

**1. Approval of Minutes**

There were no minutes to approve.

Mr. Ivan Djambov, Fiscal Analyst, LFA, introduced the following two items of business that the subcommittee would be discussing over the next two meetings:

[Summary of Requests for Appropriation - 2017 GS](#)  
[Building Block Requests - Updated](#)

Mr. Djambov also noted that the subcommittee would be meeting for final voting on Monday, February 13, 2017.

**2. Water Rights**

Mr. Djambov reviewed the building block requests, federal funds, and intent language for the Division of Water Rights.

Mr. Kent Jones, State Engineer, Director of the Division of Water Rights, presented building block requests for Dam Safety and Water Rights Adjudication - Growth in Earmarks.

Mr. Blake Bingham, Assistant State Engineer, Division of Water Rights, gave an overview of Water Rights Adjudication in Utah.

[Water Rights Adjudication Presentation](#)

Mr. Bingham and Mr. Jones responded to committee questions.

### **3. Water Resources**

Mr. Djambov reviewed the building block requests, federal funds, and intent language for the Division of Water Resources.

Mr. Eric Millis, Director, Division of Water Resources, talked about current water conservation efforts in Utah and discussed building block requests for State Facility Water Efficiency, Water Conservation Advertising, and Smart Sprinkler Rebates.

Sen. Jim Dabakis inquired about the Slow-the-Flow program and other marketing tools for water conservation.

Sen. Margaret Dayton inquired about costs associated with managing state agency sprinkler systems.

Mr. Todd Adams, Deputy Director, Division of Water Resources, responded.

### **4. Environmental Quality**

Mr. Alex Wilson, Fiscal Analyst, LFA, introduced the building block requests, federal funds, and nonlapsing intent language for the Department of Environment Quality (DEQ).

#### **a. Department Requests**

Mr. Alan Matheson, Executive Director, DEQ, gave a brief overview of DEQ's building block requests and invited the division directors to present the agency building block requests.

#### **[DEQ Budget Requests Presentation](#)**

Mr. Bryce Bird, Director, Division of Air Quality, DEQ, discussed the building block requests for Air Quality Monitoring and Air Quality Research and introduced the legislative requests for appropriation (RFA) related to air quality.

#### **b. RFA - Air Monitoring Network Equipment - Rep. Arent**

Rep. Patrice M. Arent explained that the \$1.3 million request for funding will replace outdated air monitoring equipment and provide necessary staffing.

Mr. Bird explained the need for new air monitoring equipment in meeting public expectations and federal/state requirements.

#### **c. RFA - Applied Air Quality - Rep. Redd**

Rep. Edward H. Redd explained that the funding for this request will be used to purchase and operate an infrared camera to detect volatile organic compound (VOC) leaks in oil and gas pipes and storage

infrastructure in the Uinta Basin. This intervention will help reduce VOC emissions and improve the ozone.

Mr. Bird explained that the Applied Air Quality request is a follow-up to last year's appropriation for the Uintah Basin Storage Tank Emissions Pilot Project (STEPP).

Chair Chew asked for further clarification on how the pilot program would proceed.

**d. RFA - HB 29 Energy Efficient Vehicles Tax Credit Amendments - Rep. Handy**

Rep. Stephen G. Handy talked about the funding potential of tax credits for electric vehicles, impacts on air quality, and responded to questions about the effectiveness.

**a. Department Requests (continued)**

Mr. Walt Baker, Director, Division of Water Quality, DEQ, presented the building block requests for Harmful Algal Bloom Response and Spill Coordinator.

Ms. Marie Owens, Director, Division of Drinking Water, DEQ, presented the building block request for Water Use Data Collection.

Mr. Brent Everett, Director, Division of Environmental Response and Remediation, DEQ, discussed a transfer of funds from the Petroleum Storage Tank Trust Fund to the Petroleum Storage Tank Cleanup Fund. He also discussed a transfer of funds from the Environmental Quality Restricted Account to the Hazardous Substance Mitigation Fund to be used for state cost share at superfund sites and for abating emergency releases.

Mr. Scott Anderson, Director, Division of Waste Management and Radiation Control, DEQ, discussed a transfer of funds from the Division of Environmental Response and Remediation to the Hazardous Substance Mitigation Fund. He also discussed cost savings realized through consolidation and expenditure reductions.

Chair Chew asked about the disposal of electric vehicle batteries. Mr. Anderson responded.

**5. Legislators' Requests for Appropriations**

The following legislators presented requests for appropriation:

**a. RFA - Canal Safety Mapping - Rep. Chew**

Chair Chew explained that the funding will complete the mapping of Utah's canal system by 2019.

Mr. Kent Jones, State Engineer, Division of Water Rights, explained the need to map sections of pipe that are tied into open channel canals.

**b. RFA - Carbon Canal Diversion Reconstruction - Sen. Hinkins**

Sen. David P. Hinkins discussed the deterioration of the Carbon Canal, which provides irrigation to surrounding areas in Carbon County. The Natural Resource Conservation Service (NRCS) is providing funding for 75 percent of the project. The Carbon County Canal Company is seeking local funding for the balance.

Mr. Kevin Cotner, President, Carbon Canal Company, spoke to the request and responded to questions.

**c. RFA - Carbon Canal Liner - Sen. Hinkins**

Sen. Hinkins explained that the funding will go toward lining the water canal above the Holiday Inn in Price, Utah to prevent water seepage.

**d. RFA - Lower Elevation Reservoir Study/Phase IV - Sen. Hinkins**

Sen. Hinkins explained that this request will fund a study for a lower elevation reservoir that will benefit Carbon and Sanpete County.

**e. RFA - Muddy Creek Independent Canal - Sen. Hinkins**

Sen. Hinkins indicated that the funding will be used to install a 3.8 mile pipeline servicing residents in Central Utah.

**f. RFA - Price River Dredging - Sen. Hinkins**

Sen. Hinkins requested funding for homeowners to remove sediment from the Price River between Helper and Price.

**g. RFA - DNR - Pass Through Account for Continuation of Contract - Rep. Noel**

Sen. Hinkins indicated that Rep. Noel had been called into a leadership meeting. He explained that the project is a continuation of contract for support on Sage Grouse, wolves, other endangered species, monument designations, and other items identified by the state.

Rep. Hawkes asked that Rep. Noel address ongoing concerns about the transparency of the grant.

**6. Public Lands Office**

Mr. Wilson introduced the building block requests and nonlapsing intent language for the Public Lands Policy Coordinating Office (PLPCO).

Ms. Kathleen Clark, Director, PLPCO, reported that PLPCO expects to have some one-time monies that will carry over to next year. However, she expressed concern that PLPCO's ongoing appropriation is not keeping up with its operating needs and that PLPCO may have to dramatically change what it is doing.

## **7. Office of Energy Development**

Mr. Wilson reviewed the building block requests and nonlapsing intent language for the Office of Energy Development (OED).

Dr. Laura Nelson, Executive Director, OED, presented the building block request for Lease Expenses and the Stripper Well Petroleum Violation Escrow Fund. She was joined by Ms. Michelle Paskar, Finance Director, OED.

### Office of Energy Development Presentation

Sen. Hinkins inquired about OED costs associated with processing solar rebates.

Rep. Ken Ivory asked about the possibility of charging an application fee to cover the cost of processing solar rebates. He also inquired about future OED leasing options.

Sen. Dayton mentioned that solar rebates are paid for out of the Education Fund.

Chair Chew invited Ms. Kathleen Clark, PLPCO, to make some additional remarks.

Ms. Clark asked the subcommittee to reconsider PLPCO's funding request for \$1.5 million one-time, which the Governor had included in his budget recommendations.

Mr. Sterling Brown, Utah Farm Bureau, spoke in support of Canal Safety Mapping.

## **8. Other Business**

**MOTION:** Sen. Hinkins moved to adjourn. The motion passed unanimously.

The motion passed with a vote of 8-0-11.

### Yeas:

Rep. S. Chew  
Rep. K. Christofferson  
Rep. B. Greene  
Rep. S. Handy  
Sen. D. Hinkins  
Rep. K. Ivory  
Rep. K. Kwan  
Sen. E. Vickers

### Nays:

### Abs:

Sen. J. Dabakis  
Sen. M. Dayton  
Rep. S. Duckworth  
Rep. T. Hawkes  
Sen. D. Ipson  
Sen. P. Knudson  
Rep. M. Noel  
Sen. R. Okerlund  
Rep. L. Perry  
Rep. M. Roberts  
Rep. K. Stratton

Chair Chew adjourned the meeting at 10:03 a.m.